

P-X 27

Message

**From:** Irfan Kamal [ikamal@aspiration.com]  
**Sent:** 2/6/2022 8:46:20 PM  
**To:** Lawler, Jason J. [jlawler@sidley.com]  
**CC:** Mike Shuckerow [mshuckerow@aspiration.com]; Javier Rocha [javier@fourthirteenllc.com]; Greg Restituto [grestituto@aspiration.com]; Jay Rogers [jay@fourthirteenllc.com]; Pesch, Ellen P. [epesch@sidley.com]; Petretti, Richard S. [rpetretti@sidley.com]; Robert Lee [rlee@aspiration.com]; Rojeh Avanesian [ravanessian@aspiration.com]  
**Subject:** Re: Aspiration / ZCH - Confirmation and Equity Pledge

Let's say 2:30-3 Pacific / 5-5:30 Eastern - Jason, could you send an invite?

On Sun, Feb 6, 2022 at 12:10 PM Lawler, Jason J. <[jlawler@sidley.com](mailto:jlawler@sidley.com)> wrote:

Javier, please let us know your availability for a call if needed and we can circulate a zoom.

To preview, and in the interest of time, a few responses follow.

We discussed the escrow in detail on Friday and reflected the agreed construct in the draft provided – e.g., that the escrow must be funded with 413 credits or cash in an amount equal to the cost of covering in the open market (e.g. any shortfall amount) at the time the 413 credits are issued. Note that, in the event Seller fails to deliver the required ZCH 2 credits Aspiration's remedies will not be limited to return of the purchase price. Rather Aspiration's damages will include whatever it would cost to obtain the same amount of comparable carbon credits in the open market at the time contract is breached – that is typical for forward purchase transactions (and is clearly set forth in the standard ISDA Master Agreement which is incorporated into the Confirmation). So we have only included Aspiration's entitlements under applicable law in the escrow.

The collateral, on the other hand, consists of ZCH and 413's rights in the three projects, including their management rights and entitlement to carbon credits, as well as the ParentCo's membership interests in ZCH and 413. The collateral package was also discussed in detail as Mike said below, and we had specifically previewed that we would be requesting a pledge of the 413 and ZCH membership interests held by the ParentCo in a separate equity pledge agreement. The purpose here again is simply to provide Aspiration with the ability to satisfy the obligations owed to it by providing a controlling right in the projects if the project vehicles do not produce sufficient credits and the escrow is otherwise under-capitalized to satisfy Aspiration's damages from the failure to deliver credits on the settlement date(s). Note that nothing prevents the ParentCo from setting up new projects with separate entities; our ask is only covering the existing projects as we discussed Friday.

**JASON J. LAWLER**  
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**From:** Mike Shuckerow <[mshuckerow@aspiration.com](mailto:mshuckerow@aspiration.com)>  
**Sent:** Sunday, February 6, 2022 11:28 AM  
**To:** Javier Rocha <[javier@fourthirteenllc.com](mailto:javier@fourthirteenllc.com)>  
**Cc:** Greg Restituto <[grestituto@aspiration.com](mailto:grestituto@aspiration.com)>; Irfan Kamal <[ikamal@aspiration.com](mailto:ikamal@aspiration.com)>; Jay Rogers <[jay@fourthirteenllc.com](mailto:jay@fourthirteenllc.com)>; Lawler, Jason J. <[jlawler@sidley.com](mailto:jlawler@sidley.com)>; Pesch, Ellen P. <[epesch@sidley.com](mailto:epesch@sidley.com)>; Petretti, Richard S. <[rpetretti@sidley.com](mailto:rpetretti@sidley.com)>; Robert Lee <[rlee@aspiration.com](mailto:rlee@aspiration.com)>; Rojeh Avanesian <[ravanesian@aspiration.com](mailto:ravanesian@aspiration.com)>  
**Subject:** Re: Aspiration / ZCH - Confirmation and Equity Pledge

ion to legal and finance that the \$29mm would remain in escrow and only be accessed as credits were delivered. That is not the case - I was express two calls ago that deal was DOA if the \$29mm was immediately accessible and not escrowed to credit delivery.... in that scenario I explained that we would need significant rights to step in and run the project and have rights to enough credits to cover our costs in doing so - which I estimated at 4x the \$29mm - all ZCH has to do is deliver on the contract if they don't want these contingencies to kick in.

On Sun, Feb 6, 2022 at 12:52 PM Javier Rocha <[javier@fourthirteenllc.com](mailto:javier@fourthirteenllc.com)> wrote:

Jason and Aspiration Team,

Thank you for working on this draft and getting it back to us over the weekend. After reviewing and subject to Aspiration's comments, we feel this draft doesn't capture the agreement that was discussed on Friday's call. First, this draft expands the collateral to "any reforestation program or other nature-based solution resulting in greenhouse gas reduction" for 413 Environmental, LLC or Zero Carbon Holdings, LLC. This was never discussed or agreed upon. The only projects involved in this agreement are 1) The project under development by ZCH associated with the feasibility study Project 2 – Nova Aripuana REDD Feasibility Study and 2) 413 Environmental, LLC #1 REDD Project on the Registry with project ID number 2586 as collateral. Second, the collateral is further expanded to include all of Four Thirteen, LLC's "limited liability company membership interests in 413 and Seller". Four Thirteen, LLC's membership interests have never been proposed as collateral.

Our intent of the deal was to sell 6,555,556 of future carbon credits in Zero Carbon Holdings #2 at a discounted price of \$29,500,000 (\$4.50/credit). As collateral, we were pledging the value of \$29,500,000 in 1) 413 Environmental #1 carbon credits, 2) cash, OR 3) 413 Environmental #1 carbon credits + cash. The \$29,500,000 was to be deposited with no cash restrictions. The proposed draft is beyond the original deal.

We would still like to reach an agreement, but time is of the essence. Please understand our perspective, on Jan 28, Aspiration sent an “executable ready version” which we executed on Jan 29. However, on Feb 1 we were told there was some questions and on our next call, we were told Aspiration had issues with the terms of “executable ready version” that Aspiration had previously sent us. Since then, the collateral terms have dramatically changed. Let me reemphasize that we still think a deal is possible, but perhaps we need to get on a call to see if we can reach amenable terms.

Thanks,

Javier

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**From:** Lawler, Jason J. <[jlawler@sidley.com](mailto:jlawler@sidley.com)>  
**Sent:** Saturday, February 5, 2022 5:20 PM  
**To:** Jay Rogers <[jay@fourthirteenllc.com](mailto:jay@fourthirteenllc.com)>; Javier Rocha <[javier@fourthirteenllc.com](mailto:javier@fourthirteenllc.com)>  
**Cc:** Mike Shuckerow <[mshuckerow@aspiration.com](mailto:mshuckerow@aspiration.com)>; Irfan Kamal <[ikamal@aspiration.com](mailto:ikamal@aspiration.com)>; Robert Lee <[rlee@aspiration.com](mailto:rlee@aspiration.com)>; Rojeh Avanesian <[ravanesian@aspiration.com](mailto:ravanesian@aspiration.com)>; Greg Restituto <[grestituto@aspiration.com](mailto:grestituto@aspiration.com)>; Pesch, Ellen P. <[epesch@sidley.com](mailto:epesch@sidley.com)>; Petretti, Richard S. <[rpetretti@sidley.com](mailto:rpetretti@sidley.com)>  
**Subject:** Aspiration / ZCH - Confirmation and Equity Pledge

Hi All,

Please find attached the draft forward confirmation, along with a redline against the previously agreed draft. Also attaching the equity pledge agreement that we previewed on the call yesterday. Since these drafts are being circulated to all parties simultaneously they remain subject to Aspiration’s review and comment in all respects. Note that these also remain subject to completion and review of the outstanding diligence requests related to the Radicle term sheet and any third party entitlements to carbon credits from the 413, ZCH 1 and ZCH 2 credits.

Please let us know of any questions or comments.

Thanks,

Jason



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